



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

March 2, 2010

15 MARCH 02, 2010

Sachi A. Hamai
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EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**EXERCISE OF FIVE-YEAR OPTION TO RENEW LEASE NO. 70586
NATURAL HISTORY MUSEUM
4400 SEVILLE AVENUE, VERNON
(FIRST DISTRICT) (3 VOTES)**

SUBJECT

The proposed exercise of the option to renew the lease for an additional five years will provide the Natural History Museum of Los Angeles County (NHM) continued use of 16,038 gross square feet of industrial warehouse space for marine mammal research and collection storage and 14 parking spaces.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the amendment is categorically exempt from the California Environmental Quality Act pursuant to Class 1, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chair to exercise the five-year option to renew the lease with William A. Pistey and Marie-Louise Pistey (Lessor), for 16,038 gross square feet of industrial warehouse space and 14 parking spaces located at 4400 Seville Avenue, Vernon, for use by the Natural History Museum of Los Angeles County at a maximum fixed annual rent of \$92,376. The lease costs are 100 percent net County cost.

"To Enrich Lives Through Effective And Caring Service"

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since 1966, the leased facility has provided housing for marine mammal research and collection storage. The exercise of the option to renew the lease will continue to provide the NHM use of the warehouse facility. The facility is also available for tour by prospective donors and upon request for educational purposes. The facility is staffed by four permanent employees on a part-time basis.

The lease expired on February 28, 2005, and was renewed through exercise of the first renewal option by your Board. The first renewal option term will expire on February 28, 2010. However, the Landlord has agreed to extend the option to renew until March 2, 2010.

Implementation of Strategic Plan Goals

In compliance with Countywide Strategic Plan Goal 3, Community and Municipal Services, Strategy 1, Cultural and Recreational Enrichment, that directs we increase accessibility to County of Los Angeles (County) cultural, recreational and lifelong learning facilities and programs, the proposed exercise of the option to renew the lease supports this goal with a centrally located storage and research facility for the NHM as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed exercise of the second option to renew the term for the lease will provide uninterrupted use of 16,038 square feet of warehouse space and 14 parking spaces at the base monthly rent of \$7,698, or \$92,376 annually. The base rent is not subject to adjustment during the term.

4400 SEVILLE AVENUE	EXISTING LEASE AMENDMENT	PROPOSED LEASE RENEWAL	CHANGE
Area (Square feet)	16,038	16,038	None
Term	03/01/2005 - 02/28/2010	Five years, upon Board approval	+ Five years
Annual Rent	\$86,604, modified gross, net utilities*	\$92,376, modified gross, net utilities*	+\$5,772
Parking (included in rent)	14 off-street spaces	14 off-street spaces	None
Cancellation	After 36 months upon 180 days prior written notice	After 36 months upon 180 days prior written notice	None
Option to Renew	One five-year option	None	Five-year option exercised – none remain
Rental Adjustment	\$5,772 pursuant to the terms of the existing lease	\$5,772 pursuant to the terms of the existing lease	+\$5,772 pursuant to the terms of the existing lease

* County provides insurance, property taxes, interior maintenance, janitorial service and supplies, and utilities.

Sufficient funding of the base rent and operational costs for the proposed renewal is included in the 2009-10 Rent Expense budget and will be billed back to the NHM. The lease costs are 100 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed five-year renewal will provide uninterrupted use of 16,038 gross square feet of warehouse space and 14 parking spaces. The option extends the lease term under the same terms and conditions except the rental rate as provided in the original lease, which contains the following provisions:

- The Lessor and County Counsel concur that the Board letter, when approved, will suffice to exercise the option to renew the term and no other documentation is necessary;
- The five-year renewal term will commence upon Board approval;
- The current monthly rent will increase from \$7,217 to \$7,698 and remain fixed for the new five-year term in accordance with the terms of the existing lease.

The modified gross lease provides the County will remain responsible for insurance, property taxes, interior maintenance, janitorial service and supplies, and utilities. The Lessor will remain responsible for structural maintenance, concealed building systems, parking and landscaping.

The Chief Executive Office (CEO), Real Estate Division staff conducted a survey within five miles of the NMH to determine the availability of comparable and more economical sites. Staff was unable to identify any suitable sites in the surveyed area that could accommodate this space requirement. Staff has established that the rental range for similar industrial warehouse space is between \$5.76 and \$9.60 per square foot per year modified gross. Thus, the base annual rental rate of \$5.76 modified gross for the proposed lease represents the lower range of the market for the area. Attachment B shows all County-owned or leased facilities in the countywide service area, and no County-owned or leased facilities are available for this program.

ENVIRONMENTAL DOCUMENTATION

Find that the proposed exercise of the option is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Class 1, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

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The Department of Public Works inspected this facility for seismic safety and has no objection to the continued occupancy of the premises by the County. The premises are a freestanding industrial warehouse and are not an appropriate site to operate a child care center. No tenant improvements will be provided as part of this amendment.

Notification letters have been sent to the City of Vernon pursuant to Government Code Sections 25351 and 65402.


IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CEO that the proposed exercise of the option to renew the lease will allow NHM to continue to utilize the warehouse space. NHM concurs with this recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two certified copies of the Minute Order and adopted stamped Board letter to the CEO, Real Estate Division, 222 South Hill Street, 4th Floor, Los Angeles, CA 90012.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:WLD
CEM:MM:hd

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Natural History Museum

**NATURAL HISTORY MUSEUM
4400 SEVILLE AVENUE, VERNON**

Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions? ² Storage space		X	
B	Does lease co-locate with other functions to better serve clients? ²			X
C	Does this lease centralize business support functions? ²			X
D	Does this lease meet the guideline of 200 sq. ft of space per person? ² The space is used for mammal research and collection storage, and staffed by four permanent employees on a part-time basis.		X	
2.	<u>Capital</u>			
A	Is it a substantial net County cost (NCC) program? 100% NCC.	X		
B	Is this a long term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Attachment B?	X		
G	Was build-to-suit or capital project considered? A build-to-suit or capital project is not feasible and the department desires to retain the facility for the renewal term.		X	
3.	<u>Portfolio Management</u>			
A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?		X	
D	Why was this program not co-located?			
	1. ____ The program clientele requires a "stand alone" facility.			
	2. <u>X</u> No suitable County occupied properties in project area.			
	3. <u>X</u> No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. ____ The Program is being co-located.			
E	Is lease a full service lease? ² This is a proposed exercise of the option to renew the existing modified gross lease. Landlord will not modify the lease structure.		X	
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval?	X		
	¹ As approved by the Board of Supervisors 11/17/98			
	² If not, why not?			

NATURAL HISTORY MUSEUM SPACE SEARCH-COUNTYWIDE

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
2199	OLIVE VIEW-STORAGE BLDG 124/126	14445 OLIVE VIEW DR, SYLMAR 91342	38376	19121	OWNED	NONE
Y829	OLIVE VIEW-SERVICE & SUPPLIES WAREHOUSE	14445 OLIVE VIEW DR, SYLMAR 91342	24430	22441	OWNED	NONE
A250	LOS ANGELES SUPERIOR COURT WAREHOUSE	250 W DUARTE RD, MONROVIA 91016	20000	20000	LEASED	NONE
0373	BRACKETT FIELD-HANGAR I (STORAGE)	1615 W MCKINLEY AVE, LA VERNE 91750	28800	25920	OWNED	NONE
1618	BRACKETT FIELD-INDUS WAREHOUSE	1615 W MCKINLEY AVE, LA VERNE 91750	42000	37800	OWNED	NONE
A607	MUSEUM OF ART-LACMA WEST (FORMER MAY CO BLDG)	6067 WILSHIRE BLVD, LOS ANGELES 90036	265000	225250	PERMIT	NONE
3153	COUNTY RECORDS CENTER (COUNTY MALL PHASE II)	222 N HILL ST, LOS ANGELES 90012	99945	62313	OWNED	NONE
Y798	MED CTR-OFFICE EQUIPMENT & SALVAGE WAREHOUSE	1808 GRIFFIN AVE, LOS ANGELES 90031	25114	24511	OWNED	NONE
Y803	MED CTR-GENERAL HOSPITAL MINI WAREHOUSE	1900 ZONAL AVE, LOS ANGELES 90033	27899	20024	OWNED	NONE
5458	PW CENTRAL YARD-MAIN WAREHOUSE	1537 ALCAZAR ST, LOS ANGELES 90033	59594	53646	OWNED	NONE
4800	PW CENTRAL YARD-MATERIALS ENGINEERING LAB/WH	1525 ALCAZAR ST, LOS ANGELES 90033	65200	61940	OWNED	NONE
A257	MED CTR-SUPPLIES WAREHOUSE/ MEDICAL RECORDS	2011 N SOTO ST, LOS ANGELES 90032	83665	75300	LEASED	NONE
Y399	NATURAL HISTORY MUSEUM-WAREHOUSE I	2847 S GRAND AVE, LOS ANGELES 90007	36776	27099	OWNED	NONE
E230	NAT HIST MUSEUM-MARINE MAMMAL LAB/ WAREHOUSE	4400 SEVILLE AVE, VERNON 90058	16038	15932	LEASED	NONE
A391	DA-CRIMINAL FILE STORAGE/ FRAUD INVESTIGATORS	5300 HARBOR ST, CITY OF COMMERCE 90040	52300	49685	LEASED	NONE
A945	DPSS-DISTRIBUTION CENTER/ MULTI-USE WAREHOUSE	2700 GARFIELD AVE, COMMERCE 90040	60140	58537	LEASED	NONE
A010	TTC - PUBLIC ADMINISTRATOR WAREHOUSE	16610 CHESTNUT ST, CITY OF INDUSTRY 91748	120000	114000	OWNED	NONE
Y860	ML KING-MEDICAL RECORDS AND LAUNDRY BUILDING	12021 S WILMINGTON AVE, LOS ANGELES 90059	21000	17850	OWNED	NONE
Y720	ML KING-SERVICE AND SUPPLY BUILDING-SOUTH	12021 S WILMINGTON AVE, LOS ANGELES 90059	33805	30187	OWNED	NONE
Y113	AG COMM/WTS MEAS-ENVIRONMENTAL LAB/WAREHOUSE	11012 GARFIELD AVE, SOUTH GATE 90280	23623	19371	OWNED	NONE
1204	PUB DEF-RANCHO COURT RECORDS STORAGE BUILDING	12817 DAHLIA AVE, DOWNEY 90242	26475	21453	OWNED	NONE
0146	RANCHO-MATERIALS MANAGEMENT WAREHOUSE	7601 E IMPERIAL HWY, DOWNEY 90242	29795	28578	OWNED	NONE
2890	RANCHO-MEDICAL RECORDS/PFS BUILDINGS 601/602	7601 E IMPERIAL HWY, DOWNEY 90242	16509	9416	OWNED	NONE
A562	HEALTH-COUNTY EMERGENCY MEDICAL SERVICES(EMS)	10430 SLUSHER DR, SANTA FE SPRINGS 90670	45290	44264	LEASED	NONE
A663	PUBLIC DEFENDER-DOCUMENT STORAGE	9830 NORWALK BLVD, SANTA FE SPRINGS 90670	30911	29365	LEASED	NONE
X538	RR/CC - SERVICE CENTER COMPLEX (WAREHOUSE)	12680 CORRAL PLACE, SANTA FE SPRINGS 90650	99494	94519	OWNED	NONE
Y201	SHERIFF-CENTRAL PROPERTY WAREHOUSE	14201 TELEGRAPH RD, SOUTH WHITTIER 90604	55000	54044	FINANCED	NONE
Y202	SHERIFF-CENTRAL SUPPLY WAREHOUSE	14205 TELEGRAPH RD, SOUTH WHITTIER 90604	45000	43714	FINANCED	NONE
A014	NAT HIST MUSEUM-WAREHOUSE	14105 S NORMANDIE, GARDENA 90249	16169	15361	LEASED	NONE
3600	HIGH DESERT-MUNSIE BUILDING/ WAREHOUSE/LINENS	45120 N 60TH ST W, LANCASTER 93536	36392	20109	OWNED	NONE